

## **BUDGET, FINANCE & INVESTMENT COMMITTEE**

**December 10, 2009**

**5:30 P.M.**

**Courthouse**

### MINUTES:

#### Members Present:

Comm. Bob Bullen  
Comm. Joe Frank Jernigan  
Comm. Will Jordan  
Comm. Robert Peay, Jr.  
Comm. Steve Sandlin  
Comm. Doug Shafer  
Comm. Joyce Ealy, Chrm.

#### Others Present:

Ernest Burgess  
Teb Batey  
Lisa Nolen  
Lois Miller  
Janet Bowman  
Pam Fone  
Lynn Duke

#### Others Present:

Ted Lindsey  
Jeff Sandvig  
Gary Clardy  
Noel Deal  
Scott Broden  
Elaine Short

Chairman Joyce Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

### APPROVE MINUTES:

The minutes of the November 5, 2009 Budget Committee meeting were presented for approval.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the minutes as presented.

The motion passed unanimously by acclamation.

### INVESTMENT REPORT

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that the LGIP interest rate for the month was .44%. There were no investment bids taken since the last meeting.

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

Mr. Batey updated the committee on the property tax collections advising that 97.23% of the 2008 property taxes had been collected. He advised that the collections were consistent with what was normally collected at this time.

Regarding the 2009 property tax collections, Mr. Batey advised that 7.52% had been collected, which was approximately \$300,000 less than what was normally collected at this time for current year property taxes.

Mr. Batey advised that typically 99% to 99.25% of property taxes were collected before turning over the delinquent property taxes to the Chancery Court.

Mr. Batey advised that New Year's Eve was a holiday for county employees, but the Trustee's Office would be open from 8:00 A.M. to 4:30 P.M. for citizens who wanted to pay their property taxes.

### FUND CONDITION REPORT:

Finance Director, Lisa Nolen, presented the monthly Fund Condition Report for the use and information of the committee advising that the Development Tax collections for the month totaled \$65,250. The year-to-date collections were \$440,250. This compared to year-to-date collections of \$2,035,500 for the same period last year.

The committee reviewed the funds' cash balances totaling \$133,207,811 with operating funds totaling \$96,908,760 and borrowed funds totaling \$36,299,051. This compared to the same period last year, when the total cash balances were \$105,305,864 with operating funds totaling \$83,793,601 and borrowed funds totaling \$21,512,263.

The Finance Director brought the committee's attention to the General Debt Service Fund, which reflected an increase of \$10 million. She reminded the committee that last year \$10 million was borrowed from the Debt Service Fund to begin some school projects.

The Tennis Courts Project reflected a negative balance of \$53,490.53. The Finance Director advised that the tennis courts were complete, and that the City of Murfreesboro had been billed for their remaining portion, but the payment had not been received at this point. The Board of Education was also billed for a small portion of the project.

The Finance Director explained that later in the meeting the School Board would be cleaning up some remaining balances, and the balance of the money in the Stewarts Creek Middle School totaling \$312,655.01 would be transferred to the Oakland Middle School Project and the Whitworth Buchanan Middle School Project. This money was the profit that the county realized from the sale of the excess Gourley property that was purchased for the Stewarts Creek schools. The money earmarked for a future high school in the amount of \$422,788.63 would also be used toward the additional funding needed for the Oakland Middle School and the Whitworth Buchanan School. She advised that various other smaller accounts would also be transferred to the middle school projects. She also requested that the committee consider transferring \$117.33 remaining in the LaVergne Lake Elementary School, \$100.33 remaining in the Smyrna Elementary Addition, \$109.52 remaining in the Buchanan Elementary Renovations, and .70 remaining in the Rockvale High School projects.

The Finance Director reviewed the revenue collections advising that at the end of November the sales tax was down by approximately 7%. She stated the sales tax mainly affected the School Board. She advised that the sales tax collections for the month of November for the entire county was about 1% less than last November, but that overall, the collections were down approximately 6%.

Mayor Burgess stated that if the sales tax collections remained at 6% below last year's collections that would mean approximately \$1.8 million less revenue for the schools' budget.

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

#### INSURANCE REPORT:

Mrs. Lois Miller, Insurance Director, presented the monthly Insurance Report for the use and information of the committee. She advised that the month of November saw a high volume of medical claims with the self-funded claims totaling \$3.9 million compared to \$2,383,447 for last November. She advised that there had been 65 large claims so far this year at an average cost of \$53,000 each. Compared to last year at this time, there were 54 large claims, but the average cost per claim was higher.

The CareHere costs per employee showed some volatility with the average cost per visit being \$30.98. The total cost per employee for the entire health insurance plan including medical, dental and vision was \$711.98.

The GASB Liability was \$22.37 million.

Mrs. Miller reviewed the Work Injury Performance advising that the workers' compensation costs were slightly lower than the On-the-Job Injury costs. She advised that the claims costs were approximately 64% of last year's claims costs for the same period of time.

Following review Comm. Bullen moved, seconded by Comm. Jernigan to approve the Insurance Report as presented. The motion passed unanimously by acclamation.

RECOMMENDATION TO RENEW CONTRACT WITH CCMSI FOR THIRD-PARTY ADMINISTRATOR FOR BROKERAGE SERVICES FOR THE ON-THE-JOB INJURY AND PROPERTY & CASUALTY CLAIMS:

Mrs. Miller advised that Cochran Claim Management Services, Inc. (CCMSI) had offered to renew the Third-Party Administrator and brokerage services for the On-the-Job Injury and Property & Casualty claims. She advised that the renewal was favorable with a decrease in technological fees.

Mrs. Miller explained that Rutherford County had a long-term relationship with CCMSI and had enjoyed their experience on the Property & Casualty claims for many years. In 2007, their service was bid for a three-year contract period with the possibility of two one-year extensions. CCMSI was again awarded the TPA and brokerage contract for the property & casualty claims, and Workers' Compensation/On-the-Job Injury was added.

Mrs. Miller advised that administrative costs for the initial three-year period were held flat. The brokerage services yielded a significant drop in casualty premiums for 2007-08, and those premiums remained low in the subsequent years. Property premium rates have increased only slightly.

The Insurance Committee recommended that the contract with CCMSI be extended for the first of the two one-year extensions from July 1, 2010 through June 30, 2011. She advised that CCMSI had held their fees flat for the fourth year with the exception of the SCHIP Administration, which was reduced from \$2,500 to \$1,500. The total proposed annual fixed administration costs were reduced from \$112,665 to \$111,665, which was a .9% reduction. She advised that while the county's exposure increased in property and payroll, CCMSI had managed to hold the premiums flat and even decrease the premiums.

Following review, Comm. Bullen moved, seconded by Comm. Peay to approve the recommendation of the Insurance Committee to renew the contract with CCMSI for Third-Party Administrator and brokerage services for the On-the-Job Injury and Property & Casualty claims until 6/30/2011. The motion passed unanimously by roll call vote.

RECOMMENDATION TO AMEND HEALTH INSURANCE SUMMARY PLAN DOCUMENT TO COMPLY WITH MICHELLE'S LAW:

Mrs. Miller advised of a new federal law that was enacted to provide for the continuation of dependent health insurance coverage for college students who would otherwise lose eligibility because of a reduction in their full-time class status or a medically necessary leave of absence from school itself. The law, named Michelle's Law in memory of Michelle Morse, applies to almost all insured and self-insured group health plans that cover dependents and use student status to determine eligibility. Rutherford County is included in this requirement.

In order to comply with Michelle's Law to be effective January 1, 2010, the Summary Plan Description must be amended. The proposed revision to the language to be included in the "Health Insurance Continuation Information" was as follows:

Michelle's Law requires coverage for student medical leaves that start after the effective date of the law. The law applies to all medical and dental plans, including pharmacy and behavioral health, regardless of funding. The law requires plans which cover students to maintain coverage on the dependent if the child's status as a student ceases due to a medically necessary leave of absence. Written certification stating that the child is suffering from a serious illness or injury and that the leave of absence is medically necessary must be submitted from the attending physician.

In order to qualify for a medical leave of absence, students must be enrolled in a post-secondary educational institution as defined under "Eligible Dependent". Coverage will not terminate if the dependent student ceases to satisfy the student

definition under the plan due to a medically necessary leave of absence provided the student was enrolled in the plan on the day before the medical leave started and the leave is considered to be “medically necessary” as defined below:

“Medically Necessary Leave of Absence” means a leave of absence of a child from a post-secondary educational institution or any other change in enrollment of the child at the institution that:

- (1) starts while the child is suffering from a serious illness or injury;
- (2) is medically necessary; and
- (3) causes the child to lose student status under the terms of the plan.

The dependent student’s coverage will continue until the earlier of:

- (a) the date that is one year after the first day of the medically necessary leave of absence; or
- (b) the date coverage would otherwise terminate under the terms of the plan (e.g., parent’s termination of employment or death, marriage of the child, child reaches the student limiting age, etc.)

The dependent child’s coverage will be the same coverage in effect for the child on the day before the start of the leave. If coverage changes for any reason, the child’s coverage changes along with the parent’s coverage provided the changed/new coverage also covers students. The child must remain covered under the new coverage for the remainder of the applicable period.

Following review, Comm. Jernigan moved, seconded by Comm. Jordan to approve revising the Health Insurance Summary Plan Description to comply with Michelle’s Law regarding continuation of dependent coverage for college students who would otherwise lose eligibility because of a reduction of their full-time status or a medically necessary leave of absence from school. The motion passed unanimously by roll call vote.

## **GENERAL FUND BUDGET AMENDMENTS**

### INSURANCE DEPARTMENT:

Mrs. Miller requested approval of the following budget transfer to provide additional funding for the Part Time Personnel Account and the related benefits advising that the original budget for the Part Time Personnel was underestimated by 50%. Additional dollars are available in the postage line because open enrollment mailings were paid for by the voluntary carrier. Additional dollars are available in the Board & Committee members fees because there will only be ten Insurance Committee meetings this fiscal year:

From:	101-51920-348 – Postal Charges -	\$4,737
	101-51920-191 – Board & Committee Members Fees -	1,000
To:	101-51920-169 – Part Time Personnel -	\$5,400
	101-51920-201 – Social Security -	273
	101-51920-212 – Employer Medicare -	64

Mrs. Miller also requested approval of the following budget amendment to appropriate a contribution from CIGNA in the amount of \$1,100 to assist with the Employee Appreciation Day expenses:

Increase Revenue:	101-44570 – Contributions/Gifts -	\$1,100
Increase Expend.:	101-51920-599 – Other Charges -	\$1,100

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer moving \$4,737 from Postal Charges and \$1,000 from Board & Committee Members Fees with \$5,400 to Part Time Personnel, \$273 to Social Security, and \$64 to Employer Medicare; and to increase Account 101-44570, Contributions & Gifts, by \$1,100 and to increase Account 101-51920-599,

Other Charges by \$1,100 to appropriate a contribution from CIGNA for the Employee Appreciation Day. The motion passed unanimously by roll call vote.

#### DOMESTIC VIOLENCE:

Ms. Pam Fone, Domestic Violence Coordinator, requested approval of the following budget amendment to provide funding utilizing the Reserve Account for the Victims Assistance Program to purchase a copy machine and the related maintenance agreement:

From: 101-34159 – Reserved for Victims Assistance Program - \$4,900

To: 101-53930-334 – Maintenance Agreements - \$ 900  
101-53930-719 – Office Equipment - \$4,000

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment to amend \$4,900 from Account 101-34159, Reserved for Victims Assistance Programs with \$900 to Account 101-53930-334, Maintenance Agreements and \$4,000 to Account 101-53930-719, Office Equipment. The motion passed unanimously by roll call vote.

#### JUVENILE DETENTION:

Mrs. Lynn Duke, Juvenile Detention Center Director, requested approval of the following budget amendment to provide additional funding for the Part Time Personnel Account and the related benefits. She advised that there had been a large volume of people out on sick leave and FMLA, and more part time had been utilized:

From: 101-54240-196 – In-Service Training - \$3,877

To: 101-54240-169 – Part Time Personnel - \$3,600  
101-54240-201 – Social Security - 224  
101-54220-212 – Employer Medicare - 53

Following review, Comm. Sandlin moved, seconded by Comm. Peay to approve the budget transfers for the Juvenile Detention Center transferring \$3,877 from Account 101-54240-196, In-Service Training, with \$3,600 to Account 101-54240-169, Part Time Personnel; \$224 to Account 101-54240-201, Social Security, and \$53 to Account 101-54240-212 – Employer Medicare, as requested. The motion passed unanimously by roll call vote.

#### AMBULANCE SERVICE FUND:

Chairman Ealy advised of a requested budget amendment for the Ambulance Service to appropriate \$11,645 received for providing medical coverage at special events to Overtime Pay and the related benefits and to the Travel Account as follows:

Increase Revenue: 118-43990 – Other Charges for Services – \$11,645

Increase Expend.: 118-55130-187 – Overtime Pay - \$ 9,069  
118-55130-201 – Social Security - 599  
118-55130-204 – State Retirement - 1,237  
118-55130-212 – Employer Medicare - 140  
118-55130-355 – Travel - 600

Following review, Comm. Bullen moved, seconded by Comm. Sandlin to approve the budget amendment for the Ambulance Service as presented appropriating \$11,645 in revenue received for providing medical coverage at special events with \$9,069 to Account 118-55130-187, Overtime Pay, \$599 to Account 118-55130-201, Social Security, \$1,237 to Account 118-55130-204, State Retirement, \$140 to Account 118-55130-212, Employer Medicare, and \$600 to Account 118-55130-355, Travel. The motion passed unanimously by roll call vote.

DISCUSSION OF FINANCING FOR THE EXCEL ENERGY GROUP PROPOSAL FOR OCCUPANCY SENSORS FOR RUTHERFORD COUNTY SCHOOL SYSTEM (DEFERRED FROM LAST MEETING):

Chairman Ealy advised that the loan documents had not been received from the State for the Energy Efficient Schools Initiative regarding the proposal from the Excel Energy Group to install occupancy sensors for the lighting systems in the Rutherford County School System. She advised that no action would be necessary at this time, and this would be placed on a future Budget Committee Agenda when the loan agreements were received.

ANNUAL REPORT OF FIXED ASSETS:

Mr. Ted Lindsey, Inventory Control Supervisor, presented the Annual Report of Fixed Assets for the Fiscal Year Ending June 30, 2009. Mr. Lindsey advised that 63 inventories of schools and County General departments had been completed during the reporting period.

Mr. Lindsey advised that during the past year two new policy changes had been implemented. GASB 51 was implemented which better defined the capitalization of intangible assets. The other change in the fixed assets reporting was to break the school system down on the basis of function.

Mr. Lindsey advised that 42 assets had been classified as missing for a total depreciated value of \$1,655.

Mr. Lindsey advised that in the County General, construction in progress had been reduced by \$21.8 million due to the completion of the Lane Agri-Park Phase II and the Correctional Work Center/Juvenile Detention Center. The total value of all county-owned assets before depreciation was \$332 million. The depreciated value for all county general assets was \$257 million.

The construction in progress for the Rutherford County School Department was reduced by \$37.7 million due to the completion of the Rockvale Middle School and the Oakland and Riverdale High School additions, the Christiana Elementary School Renovations, and the Buchanan Elementary Renovations. The total value of all assets before depreciation at the Rutherford County Schools was \$473 million. The depreciated value for all School Department assets was \$385.7 million.

Mr. Lindsey advised that 49 schools and county departments had 100% accountability. The average for all other departments inventoried was 98.5%.

Each year there are assets that are not seen during an inventory, and they are called remaining assets. If these assets are not seen in two inventories, they are classified as missing, retired from the system, and reported to the Budget Committee.

Following review, Comm. Bullen moved, seconded by Comm. Sandlin to approve the Annual Report of Fixed Assets for the Fiscal Year ending June 30, 2009 as presented. The motion passed unanimously by acclamation.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval of the following budget amendment to amend \$20,000 in revenue to Account 141-44570, Contributions & Gifts, for the 2009-10 Jennings and Rebecca Jones Foundation Grant for the Virtual Enterprise Program and to amend the remaining \$12,000 from the General Purpose School Fund balance for the remaining 2008-09 grant, and the related \$32,000 in expenditures to help support the Virtual Enterprise program:

From: 141-39000 – Undesignated Fund Balance -	\$12,000
Increase Revenue: 141-44570 – Contributions/Gifts -	\$20,000

Increase Expend.:	141-71300-189 – Other Salaries/Wages -	\$ 5,000
	141-71300-201 – Social Security -	310
	141-71300-204 – State Retirement -	321
	141-71300-212 – Employer Medicare -	74
	141-71300-370 – Substitute Teachers -	8,500
	141-71300-399 – Other Contracted Services -	5,500
	141-71300-429 – Instructional Supplies/Materials -	1,850
	141-72230-355 – Travel -	5,445
	141-72230-524 – In-Service/Staff Development -	5,000

Mr. Sandvig next requested approval of the following budget transfer to amend \$2,300 in ARRA Coordinated School Health expenditures from Account 141-72120-499, Other Supplies and Materials, to Account 141-72120-370, Substitute Teachers. These substitutes will cover classes while teachers get training for the Michigan Model, which is a curriculum that will be integrated in at least sixteen schools:

From:	141-72120-499 – Other Supplies & Materials -	\$ 2,300
To:	141-72120-370 – Contracts for Substitute Teachers -	\$ 2,300

Mr. Sandvig next reminded the committee that on October 15, 2009, the Rutherford County School Board and the County Commission approved a \$1,000,000 transfer resolution in order to loan up to \$1,000,000 from the General Purpose School fund Balance to the school system's Federal Projects Fund in order to avoid temporary cash deficits in the Federal Projects Fund. The \$1,000,000 transfer shall remain in the Federal Projects Fund as a designated fund balance from the General Purpose School Fund and may be repaid at any time as noted in a resolution passed by the Board of Education and the County Commission.

Mr. Sandvig requested approval of the following budget amendment to decrease the General Purpose School Fund Balance by \$1,000,000 and increases Transfers to Other Funds by \$1,000,000:

From:	141-39000 – Undesignated Fund Balance -	\$1,000,000
To:	141-99100-590 – Transfers Out -	\$1,000,000

Mr. Sandvig next requested approval of the following budget amendment to amend \$14,874 in IDEA revenues and the related expenditures for special education teachers and to amend \$4,835 in Pre-school revenue and the related expenditures for Pre-school teachers. The school system has received an additional \$19,709 from the state to partially reimburse for high-cost special education students that were educated last school year. The funds must be amended into the current year's budget for special education expenditures. The expenditures will be for special education teacher pay and benefits:

Increase Revenue:	141-47143 – Education of Handicapped-IDEA -	\$14,874
	141-47145 – Special Ed – Pre-School Grants -	4,835
Increase Expend.:	141-71200-116 – Teachers -	\$13,040
	141-71200-201 – Social Security -	808
	141-71200-204 – State Retirement -	837
	141-71200-212 – Employer Medicare -	189
	141-73400-116 – Teachers -	4,239
	141-73400-201 – Social Security -	263
	141-73400-204 – State Retirement -	272
	141-73400-212 – Employer Medicare -	61

Following review, Comm. Bullen moved, seconded by Comm. Jernigan to approve the General Purpose School Fund budget amendments as requested to amend \$20,000 from the Jennings and Rebecca Jones Foundation for the Virtual Enterprise Program, and \$12,000 in the General Purpose School Fund that remained from the 2008-09 grant and the related \$32,000 in

expenditures; to amend \$2,300 in ARRA Coordinated School Health expenditures from Other Supplies & Materials to Substitute Teachers; to amend \$1,000,000 from the General Purpose School Fund Balance to Transfers Out for the School Federal Projects; and to amend \$14,874 in IDEA revenues and the related expenditures for special education teachers and to amend \$4,835 in Pre-School revenue and the related expenditures for Pre-school teachers. The motion passed unanimously by roll call vote.

SCHOOL BUILDING PROGRAM BUDGET AMENDMENTS:

Mr. Sandvig requested approval to reallocate existing funds within the following projects:

Rockvale Middle School -	\$ 1,600
Brown's Chapel Elementary -	1,445,205
Christiana Elementary Renovation -	43,356
Whitworth Buchanan Middle -	5,960,928
Oakland Middle -	3,449,134

The funds are already budgeted, Mr. Sandvig requested to move the money to different line items. For Brown's Chapel \$1,410,000 of the amendment is separating the furniture, equipment, technology, etc. into the separate line items for the expenditures.

For Whitworth Buchanan and Oakland Middle Schools, the amendment separates architect fees, engineering fees, and site development from the beginning approved construction line item.

Mr. Sandvig next requested approval to transfer \$2,425,000 in the existing funding for the furniture, equipment, technology, phones, and library book budget from the construction line for both Oakland and Whitworth Buchanan Middle Schools where it was originally budgeted.

Following review, Comm. Jordan moved, seconded by Comm. Shafer to amend as presented the following five building program projects and amounts which reallocate existing budgeted funds to other accounts within the same project: Rockvale Middle School - \$1,600; Brown's Chapel Elementary - \$1,445,205; Christiana Elementary Renovation - \$43,356; Whitworth Buchanan Middle - \$5,960,928; Oakland Middle - \$3,449,134; and to amend \$2,425,000 from the construction budget for both Oakland and Whitworth Buchanan Middle Schools to budget for the furniture, equipment, technology, phones, and library books. The motion passed unanimously by roll call vote.

Mr. Sandvig next requested approval to transfer \$312,655 in funds from the sale of the excess Gourley property to the building program fund to help fund the middle school shortfall. The total shortfall of \$1,166,790 was caused by the changes the City of Murfreesboro required when the school system applied for permits for the two middle schools. To fund the balance of the \$1,166,790, Mr. Sandvig requested the transfer of additional funds from the following projects:

\$104,294 remaining in the Rockvale Middle project,  
\$20,193 remaining in the Siegel High Irrigation project  
\$287,040 remaining in the Brown's Chapel Project  
\$19,820 remaining in the Christiana Elementary renovation project  
\$422,788 in the future high school budget

Comm. Jernigan moved, seconded by Comm. Jordan to approve the amendments as requested to fund the \$1,166,790 shortfall for the Oakland and the Whitworth Buchanan Middle School Projects.

Comm. Jordan also asked that the following transfers be included in order to clean up the balances in the La Vergne Lake Elementary Project, Smyrna Elementary Addition, Buchanan Elementary Renovations, and Future High School making the total of \$1,167,186 available for the Oakland Middle and the Whitworth Buchanan Middle Schools shortfall with these amounts to be divided between the two schools:



\$117 remaining in the La Vergne Lake Elementary Project  
\$100 remaining in the Smyrna Elementary Addition  
\$109 remaining in the Buchanan Elementary Renovations  
\$ .70 remaining in the Rockvale High School Project

Comm. Jernigan agreed to add these amounts to his motion.

Comm. Sandlin asked for a better explanation of the shortfall and why the School Board did not include the permit fees in the bid package.

Mr. Gary Clardy explained that in the buildings that the School Board had constructed they had been very successful in saving money and retaining most of their contingency. After the bid date and during construction, they might have to fund a few things with the contingency money for change orders but typically would have a good bit of the contingency money left in the projects. He stated when the cost for the middle schools were estimated, the costs were estimated the same way that they always estimate cost. He stated at that point, the School Board had decided that they would not get a building permit from the city. Therefore, the School Board proceeded with the estimates they had. He stated that the approval of the middle schools was late in being passed, and the construction was begun immediately upon adoption by the County Commission without a permit. He stated that the School Board did not need a permit, but they needed the sewer. He stated that the City had adopted a law that unless the property was within the city, sewer service could not be received. Mr. Clardy explained that the City would not give the School System a waiver, so the school had to be annexed. The city would not annex the property until Mr. Gill presented a letter to the School Board and received approval to buy a permit. Once the city received the letter stating that the Board would buy the permit, the city proceeded with the annexation.

Mr. Clardy explained that the plans were submitted at that time for review. He advised that the School Board presented the plans at several meetings and received a site permit. Mr. Clardy advised that all of the additional costs were related to the construction costs to meet the city's codes on the plans that the School Board usually did not have to do. He stated that on this particular job they were meeting the city's requirements and it was costing them more money.

Mr. Burgess stated that the permit itself did not result in all of the additional cost. He explained that the additional costs also included sewer, water, storm water, roads, turning lanes, and all of the infrastructure. He stated that these costs were outside of their normal bid package.

Mr. Sandvig advised that the School Board had state approval for the turn lanes.

Mr. Clardy advised that there were also additional costs for design fees to re-design the plans to meet the city's requirements.

Following discussion, the motion to approve amending \$312,655 from the sale of the excess Gourley property; \$104,294 from the Rockvale Middle School project; \$20,193 from the Siegel High irrigation project; \$287,040 from the Brown's Chapel Project; \$19,820 from the Christiana Elementary Renovation project; \$422,788 from the Future High School project; \$117 from the La Vergne Lake Elementary Project; \$100 from the Smyrna Elementary Addition Project; \$109 from the Buchanan Elementary Renovation Project; and \$ .70 from the Rockvale High School Project to fund the \$1,166,790 shortfall for the Oakland and Whitworth Buchanan Middle Schools Project. The motion passed by roll call vote with Comm. Sandlin voting "no".

The Finance Director advised that typically when funds were moved within the School Building Program from school to school it did not require County Commission approval. However, she stated that she believed that a Resolution would need to be adopted by the County Commission to approve amending \$312,655 from the sale of the excess Gourley property to help fund the shortfall at Oakland Middle and Whitworth Buchanan Middle Schools. She explained that when the property was sold it was in the name of the county and not the Board of Education.

Comm. Sandlin requested to change his vote to “yes” making the vote in favor of funding the shortfall for the middle schools unanimous.

CONTRACT WITH TENNESSEE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES:

Mayor Burgess advised that the stated adopted a law that would require that the cost for mental health evaluations and treatment services for defendants charged only with misdemeanors to be the responsibility of the counties. Judges in General Sessions, Criminal, and Circuit Courts have the authority to order mental health evaluation and treatment for criminal defendants under Title 33, Chapter 7, Part 3. On June 26, 2009, Governor Bredesen signed into law new legislation (Senate Bill 2357/House Bill 2389, Section 45 and Section 33; now Public Chapter 531) that makes counties responsible for the cost of outpatient and inpatient mental health evaluations and treatment court ordered for defendants charged only with misdemeanors.

The Department of Mental Health and Developmental Disabilities will bill the counties for outpatient services for defendants charged only with misdemeanors at the same rate providers are reimbursed for those services. A per diem rate will be charged for inpatient mental health evaluation and treatment services. Unless the county enters into a rate-setting agreement, the rate charged would be between \$706.58 and \$1,313.11.

Mayor Burgess requested approval of a Contract with the Tennessee Department of Mental Health and Developmental Disabilities to establish the per diem rate for inpatient mental health evaluations ordered by courts at \$450 per day beginning July 1, 2009 through June 30, 2010.

Following discussion, Comm. Jernigan moved, seconded by Comm. Bullen to approve the Contract with the Tennessee Department of Mental Health and Developmental Disabilities to establish agreed rates and ensure payment for the evaluations and treatment necessary to evaluations ordered pursuant to T.C.A. Title 33, Chapter 7, Part 3 for defendants charged only with misdemeanor crimes; and further to authorize the County Mayor to execute the same. The motion passed by roll call vote with Comm. Shafer voting “no”.

RESOLUTION AUTHORIZING SUBORDINATION AGREEMENT FOR WALTER RAYBON:

Mayor Burgess advised that Mr. Walter Raybon received a loan through the HOME Program in 2007 for improvements on his property. Previously Mr. Raybon refinanced his mortgage, which required approval by the County Commission of a Subordination Agreement. Mayor Burgess advised that Mr. Raybon has again refinanced his mortgage. Mayor Burgess explained that every year 20% of the home improvement loan was forgiven. Three years have passed so that 60% of the loan had already been forgiven. He stated that in two more years it would be over, and the County would be out of it. He stated the Subordination Agreement does not affect the county’s liability or exposure.

Following review, Comm. Sandlin moved, seconded by Comm. Jordan to approve the Subordination Agreement and forward the same to the County Commission for Mr. Walter Raybon who received a home improvement loan in 2007 through the Rutherford County HOME Grant Program. The motion passed unanimously by roll call vote.

MEMORIAL FOR FALLEN FIREFIGHTERS:

Chairman Ealy advised that the Public Safety Committee and the Property Management Committee had approved the concept of constructing a memorial for fallen firefighters on the northwest corner of the Courthouse property in conjunction with the FOP memorial and to allow Commissioner Farley to pursue the same with the design to be brought back to the Property Management Committee for review. The construction of the memorial would be funded through donations.

Mayor Burgess advised that the funding would be raised through private donations and no county money would be involved.

Comm. Shafer moved, seconded by Comm. Peay to approve the concept of constructing a memorial for fallen firefighters on the northwest corner of the Courthouse property at no cost to the county. The motion passed unanimously by acclamation.

#### 2010-2011 BUDGET CALENDAR:

Chairman Ealy presented a proposed 2010-2011 Budget Calendar for approval by the committee. The calendar called for the consolidated budget to be presented to the Budget Committee on April 29, 2010, the Budget Committee shall review and propose the annual budget for publication on June 3, 2010, the public hearing on the budget was scheduled for June 15, 2010 at 7:00 P.M., and the budget adoption date by the County Commission was scheduled for Monday, June 28, 2010 at 9:00 A.M.

Comm. Jordan moved, seconded by Comm. Shafer to approve the proposed 2010-2011 Budget Calendar as presented. The motion passed unanimously by acclamation.

#### **OTHER BUSINESS**

##### AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) BYRNE GRANT PROGRAM FOR COURTROOM SECURITY AND TECHNOLOGY THROUGH ADMINISTRATIVE OFFICE OF THE COURTS:

The Finance Director advised of notification from the Administrative Office of the Courts of a grant award in the amount of \$4,935 through the ARRA Byrne Grant Program to be used for courtroom security and technology. The grant is a reimbursement grant so the county must first purchase the security equipment.

She requested approval to authorize the County Mayor to execute the award acceptance.

Comm. Sandlin moved, seconded by Comm. Peay to authorize the County Mayor to execute the Award Acceptance with the Administrative Office of the Courts for the ARRA Byrne Grant Program in the amount of \$4,935 to be used for courtroom security and technology. The motion passed unanimously by roll call vote.

#### SUMMARY OF AUDIT FINDINGS:

The Finance Director addressed Audit Highlights that had been mailed to the commissioners. Regarding the finding that the Ambulance Service did not issue receipts for all collections, the Finance Director advised that there were problems with the software which did not allow for some receipts to be printed. She reported that the Ambulance Service was in the process of having the software problem corrected.

Regarding the finding for the Office of the Director of Finance whereby the Self-Insurance Fund had a net assets deficit at June 30, 2009, the Finance Director explained that this had already been corrected by the Budget Committee and the County Commission with the approval of a \$300,000 transfer.

Regarding the finding of the Office of the Juvenile Court clerk where duties were not segregated adequately in the office, the Finance Director explained that the person who was in charge of bookkeeping would occasionally work at the front counter when employees were at lunch. They have now stated that the bookkeeper cannot work the front counter at all.

Regarding the finding at the Sheriff's Department whereby federal equitable shared funds were not channeled through the county's budgetary process as required by state statute, the Finance Director advised that a proposal on that would be coming to the Budget Committee in February.

She stated it would be a new fund similar to the Drug Control Fund and would be set up according to Federal guidelines

Regarding the finding that county officials had not adopted a central system of purchasing, the Finance Director advised that the county had received this finding for several years and would continue to receive the finding until a centralized system of purchasing was adopted.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:21 P.M.

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Elaine Short, Secretary